

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6630
BILL NUMBER: HB 1271

NOTE PREPARED: Dec 22, 2011
BILL AMENDED:

SUBJECT: New Judicial Officers.

FIRST AUTHOR: Rep. Steuerwald
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. *New Allen Circuit Court Magistrate* – It allows the judge of the Allen Circuit Court to appoint a second full-time magistrate. It repeals the judge's authority to appoint a hearing officer: (1) who has the powers of a magistrate; and (2) whose salary is paid by Allen County.
- B. *Third Bartholomew Superior Court* – It adds a third judge to the Bartholomew Superior Court as of January 1, 2015.
- C. *New Hamilton Superior Court Magistrate* – It allows the judges of the Hamilton Superior Court to jointly appoint a third full-time magistrate.
- D. *Hendricks County Magistrates* – It allows the judges of the Hendricks Circuit Court and Hendricks Superior Court to jointly appoint two full-time magistrates.
- E. *Fourth Johnson Superior Court* – It adds a fourth judge to the Johnson Superior Court as of January 1, 2015.
- F. *Marion Circuit Court Magistrate* – It allows the judge of the Marion Circuit Court to appoint one full-time magistrate.
- G. *Second Owen Circuit Court Judge* – It adds a second judge to the Owen Circuit Court and establishes a unified circuit court in Owen County with two judges as of January 1, 2015.

(The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2012.

Explanation of State Expenditures: Summary- The full effect of this bill on state expenditures will not occur until after FY 2016, when the three new courts will be fully implemented. Additional state expenditures are estimated to be \$678,790 beginning in FY 2013 and increasing to \$1,177,117 by FY 2017.

Background Information- The salaries of circuit and superior court judges can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

The following table projects these expenditures assuming that salaries are not increased between FY 2012 and FY 2017.

New Positions Created						
Provision	Effective Date	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Allen Co. Magistrate	1-Jul-2012	\$135,758	\$135,758	\$135,758	\$135,758	\$135,758
Bartholomew Superior Court #3	1-Jan-2015			\$83,055	\$166,109	\$166,109
Hamilton County Magistrate	1-Jul-2012	\$135,758	\$135,758	\$135,758	\$135,758	\$135,758
Hendricks County Magistrates	1-Jul-2012	\$271,516	\$271,516	\$271,516	\$271,516	\$271,516
Johnson Superior Court #4	1-Jan-2015			\$83,055	\$166,109	\$166,109
Marion Circuit Court Magistrate	1-Jul-2012	\$135,758	\$135,758	\$135,758	\$135,758	\$135,758
Second Owen Circuit Court Judge	1-Jan-2015			\$83,055	\$166,109	\$166,109
Total		\$678,790	\$678,790	\$927,954	\$1,177,117	\$1,177,117

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filing these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges and magistrates during FY 2011. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges and Magistrates (FY 2011)		
<u>Benefits</u>	<u>Judges</u>	<u>Magistrates</u>
Salary	\$127,280	\$101,824
Life Insurance	\$362	\$362
Indiana Judicial Conference	\$1,000	\$1,000
Social Security	\$9,737	\$7,790
Retirement	\$11,837	\$9,469
Disability Insurance	\$2,902	\$2,322
Health, Dental, and Vision (blended rate)	\$12,991	\$12,991
Total Cost Per Judicial Officer	\$166,109	\$135,758

Explanation of State Revenues:

Explanation of Local Expenditures: *Effect on Allen County* – Allen County would save an estimated \$21,022 in CY 2012 and \$42,045 in each subsequent year, based on current salaries of magistrates. Allen County currently pays a hearing officer the same salary that magistrates receive, with a different mix of benefits. Consequently, Allen County will be relieved of paying for both the salary and the fringe benefits of a hearing officer.

Allen County is also reimbursed for 66% of the salary of the hearing officer from federal Title IV-D monies for child support enforcement.

The following shows Allen County's savings if Allen County no longer pays the hearing officer.

	<u>CY 2012</u>	<u>CY 2013</u>	<u>CY 2014</u>
Salary	\$50,912	\$101,824	\$101,824
County Supplement	\$2,000	\$4,000	\$4,000
FICA	\$3,998	\$7,996	\$7,996
PERF*	\$4,921	\$9,842	\$9,842
Total Costs	\$61,831	\$123,662	\$123,662
Reimbursement at 66%	\$40,808	\$81,617	\$81,617
Net cost to Allen County	\$21,022	\$42,045	\$42,045
*Source: Allen Circuit Court			

Effect on Bartholomew County – Bartholomew Superior Court #3 would replace the current commissioner for an annual savings of \$32,400. It would become a family court. Currently, the commissioner is paid \$32,400 per year with no benefits.

Explanation of Local Revenues:

State Agencies Affected: Division of State Court Administration, Indiana Supreme Court; Indiana Judicial Center.

Local Agencies Affected: Allen, Bartholomew, Hamilton, Hendricks, Johnson, Marion, and Owen Counties.

Information Sources: Division of State Court Administration.

Fiscal Analyst: Mark Goodpaster, 317-232-9852.